

The Truth About Your Emotions When Making Decisions

Robert E. Gunther

A Little Adrenaline Can Be a Good Thing

Samuel Johnson once said, “When a man knows he is to be hanged in a fortnight, it concentrates his mind wonderfully.” This can be true, particularly in critical, time-sensitive decisions. The adrenaline rush of the fight-or-flight response has kept human beings out of the jaws of saber-tooth tigers or allowed jet fighter pilots to pull out of a crash. Stress can lead to improved performance.

Decision making can improve under stress up to a point. It sharpens the mind and keeps us focused. But past that point, stress becomes counterproductive and leads to poor decisions. It results in an “inverted U,” where the benefits of

stress level off and then go negative. We can see an analogy to physical stress in athletic performance. An athlete who is pushed with a moderate amount of stress will achieve higher levels of performance. But too much stress will lead to injuries and burnout. Performance will suffer.

Stress can lead to a tendency to oversimplify decision making. It can lead to working memory loss and narrow focus. It can lead to a limiting of options and premature closure of alternatives. When time pressure is high, for example, decision makers tend to make a decision without generating or evaluating all the possible alternatives.¹ One research study asked 40 subjects to

spend five hours engaged in a forest fire fighting game on the computer. Half had to operate with the added stress of a loud noise, while the others had quiet. The ones with the added stress took a more streamlined approach to decision making, while those with less stress used more in-depth analysis.² Another study asked student subjects to evaluate the attractiveness of a set of student apartments based on characteristics such as size and traveling time to the university. As time pressure increased, they tended to give more negative weight to one factor—traveling time—rather than weighing all the alternatives.

Of course, a narrow focus can be a good thing if you're in a real emergency. It

might allow you to focus on what is really important as your jet is careening out of control. But pay attention to the impact of stress on your decisions. If the decision is not time critical—you’re facing a loaded gun or have to make a buy or sell decision on a stock at this instant—then take a moment to diffuse the stress if it is hampering your ability to make a decision. Take action to prevent panic and calm your mind. Take a deep breath, go for a walk, or otherwise break the cycle of panic, slow your heartbeat, and settle your mind. A little stress can be a good thing, but too much can interfere with your decision making.

Understand the Impact of Emotions

A manager is faced with a decision about downsizing the workforce. Two staff positions need to be cut from a pool of ten employees. The ten employees have different lengths of tenure in the organization, different levels of performance, different pay, and different family situations. The employee with the poorest performance, for example, is also one of the longest-term employees and is a single mother with three children. While the manager may not explicitly consider this family situation in making the decision, the negative emotion of firing the single mother may affect the decision outcome.³ Emotions affect how we make trade-offs in our decisions.

Unless you're Dr. Spock from *Star Trek*, you can't avoid bringing emotions to the table when you're making a decision.

The trick is to understand the impact of emotions and manage this impact in making decisions. Emotions tend to make us work harder on a decision, but not necessarily smarter, according to researchers Mary Frances Luce, John W. Payne, and James R. Bettman.

Decision makers put more effort into the decision but don't necessarily consider more alternatives and make a better decision. In fact, they may ignore alternatives or avoid making explicit trade-offs to cope with the negative emotions.

We need to recognize the impact of

emotions on our decisions. Once we recognize the potential for negative emotions, we might approach the decision in a way that shields us from the impact of those emotions. We might consider the downsizing decision by making the overall health of the company paramount above the impact on an individual employee. We also might develop a plan for support and transition for employees who are let go, decreasing the perceived personal impact of the decision.

On the other hand, we don't always want to set our emotions aside in making decisions. We sometimes need to find a balance between heart and head. Sometimes emotions can lead us

to a decision that we might not have considered otherwise. It might be argued that we won't make a good decision if we don't include emotion. We just need to be aware of emotions, particularly negative ones, and avoid letting them cloud our judgment in making a decision. When we're approaching a decision, we need to look for potentially negative emotions that might be involved. Then we need to develop strategies for addressing them. We also need to be vigilant for decisions that are designed to help avoid confronting these difficult emotions.

Endnotes

1 Maule, A. J. and O. Svenson. *Time Pressure and Stress in Human Judgment and Decision Making*. New York: Plenum Press, 1993.

2 Kowalski-Trakofler, K. M., C. Vaught, and T. Scharf. "Judgment and Decision Making Under Stress: An Overview for Emergency Managers."

International Journal of Emergency Management, Vol. 1, No. 3 (2003): 278–289.

3 Luce, Mary Frances, John W. Payne, and James R. Bettman. “The Emotional Nature of Decision Trade-Offs.” *Wharton on Making Decisions*. Kunreuther, Howard, and Stephen Hoch, eds., New York: John Wiley & Sons, 2001, 17-35.



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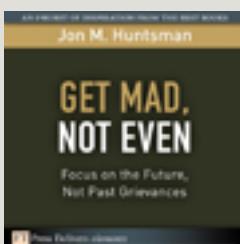
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